

Message Text

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PAGE 01 TEHRAN 01672 201210Z

17

ACTION COME-00

INFO OCT-01 NEA-09 ISO-00 CIAE-00 EB-07 INR-07 LAB-04

NSAE-00 PA-01 SIL-01 USIA-06 PRS-01 /037 W

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FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC PRIORITY 314

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FOR DEPUTY ASSISTANT SECRETARY SOBER

PASS COMMERCE UNDER SECRETARY TABOR FROM AMBASSADOR HELMS

E.O. 11652: NA

TAGS: BEXP, IR

SUBJ: TEHRAN INTERNATIONAL TRADE FAIR

REF: (A) STATE 035297, (B) TEHRAN 1192; (C) TEHRAN 0841

1. I AM ASTONISHED TO LEARN THAT TEHRAN IS NOT INCLUDED IN LIST OF FAIRS SELECTED FOR STATE/COMMERCE PARTICIPATION IN FY-76 COMMERCIAL PRESENCE FAIR PROGRAM. IT WAS MY IMPRESION THAT ESTABLISHMENT OF JOINT COMMISSION AND ESPECIALLY COMMITTEE ON ECONOMY AND FINANCE WAS CLEAR INDICATION THAT USG PLACED GREAT EMPHASIS ON EXPANDED ECONOMIC RELATIONSHIP WITH IRAN. MAJOR EFFORT BY USG AT TEHRAN INTERNATIONAL TRADE FAIR WOULD BE A VISIBLE SYMBOL OF THIS RELATIONSHIP. CONVERSELY, ABSENCE US PRESENCE AT FAIR WOULD LIKELY RESULT IN NEGATIVE INTERPRETATION RE US INTENT ESPECIALLY SINCE GOI FAIR AUTHORITIES NEED TO BE NOTIFIED SOON RE OUR PARTICIPATION.

2. IN ADDITION ABOVE CONSIDERATIONS, OVER 35 COUNTRIES WILL PARTICIPATE IN FAIR WITH NATIONAL PAVILIONS, INCLUDING ALL OECD AND MAJOR EASTERN BLOC COUNTRIES. MOST WILL RECEIVE SUBSTANTIAL SUPPORT FROM OWN GOVERNMENTS. LAST YEAR, FOR EXAMPLE, WEST GERMAN AND BRITISH GOVERNMENTS SUBSIDIZED THEIR NATIONAL PAVILIONS

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PAGE 02 TEHRAN 01672 201210Z

TO TUNE OF \$100,000 EACH. THIS FAIR IS PRESTIGE EVENT FOR GOI

WHICH IN PAST HAS PUBLICIZED FACT THAT ALL MAJOR COUNTRIES PARTICIPATE. IN THIS CONTEXT, NO US PAVILION OR VERY LOW-BUDGET EFFORT WILL LEAVE USG OPEN TO INTERPRETATIONS BY GOI AND IRANIAN BUSINESS COMMUNITY THAT US REALLY NOT ALL THAT INTERESTED IN DOING BUSINESS IN IRAN.

3. FURTHERMORE, PARTICIPATION IN FAIR YIELDS SUBSTANTIAL SALES RESULTS AND PROVIDES US FIRMS WITH UNIQUE OPPORTUNITY TO DISPLAY PRODUCTS TO IRANIAN BUSINESS COMMUNITY. IMPORTANCE AND POTENTIAL OF IRAN'S LARGE AND GROWING IMPORT MARKET FOR USG AND AMERICAN BUSINESS CANNOT BE OVERSTATED, AND FAIR, IN MY OPINION, IS EXTREMELY USEFUL VEHICLE FOR PROMOTING DESIRED US PENETRATION OF IRANIAN MARKET. EMBASSY HAS NOT YET BEGUN RECRUITING FOR UPCOMING FAIR, THOUGH EIGHT FIRMS HAVE ALREADY APPROACHED US EXPRESSING DESIRE TO PARTICIPATE.

4. AS OUTLINED REFS B AND C, COSTS FOR UPCOMING FAIR WILL BE CONSIDERABLY HIGHER THAN IN PREVIOUS YEARS, AND SUPPORT FROM CPF OR OTHER USG PROGRAM IS ESSENTIAL FOR MOUNTING MEANINGFUL EXHIBIT. IN ANTICIPATION OF CPF FUNDS AND INCREASED EXHIBITOR CONTRIBUTIONS, POST HAS BEGUN PLANNING FOR SEPTEMBER 75 FAIR AND IS WORKING WITH USIA ON CENTERPIECE FEATURING BICENTENNIAL WITH FOCUS ON PROGRESS IN AMERICAN TECHNOLOGY. SUCH AN EXHIBIT WOULD BE POPULAR DRAWING CARD AND WOULD PROMOTE OUR BROAD OBJECTIVES IN IRAN. HOWEVER, UNLESS WE ARE ABLE TO SECURE RENT-FREE PAVILION FROM FAIR AUTHORITIES OR INCREASE EXHIBITOR CONTRIBUTIONS TO \$200 OR MORE PER SQUARE METER EXHIBIT SPACE (BOTH ALTERNATIVES IMPROBABLE), POST CANNOT POSSIBLY MOUNT EVEN MODEST EXHIBIT ENVISIONED. OBTAINING RENT-FREE SPACE MOST UNLIKELY AND RAISING EXHIBITOR CONTRIBUTIONS WILL GREATLY REDUCE NUMBER OF POTENTIAL EXHIBITORS.

5. IN VIEW OF ABOVE, I URGE THAT STATE/COMMERCE EITHER INCLUDE TEHRAN IN LIST OF CPF RECIPIENTS FOR FY 76 OR LOCATE SIMILAR FUNDING FROM OTHER BUDGET SOURCES. ALTERNATIVE IS NO US OFFICIAL PARTICIPATION OR UNDESIRABLE MINIMAL PARTICIPATION, EITHER OF WHICH, IN MY VIEW, WOULD BE SERIOUS MISTAKE.

6. AS FOOTNOTE I WISH TO DRAW ATTENTION TO FACT THAT POST RETURNED OVER \$18 THOUSAND OF \$25 THOUSAND BUDGETED FROM FY 75 LIMITED OFFICIAL USE

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CPF PROGRAM. RETENTION OF THESE FUNDS BY EMBASSY WOULD HAVE ENABLED POST TO MOUNT US EXHIBITION FOR FY 76 FAIR.
HELMS

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